Panel

Secti. II-27—58,000—2-7-40-47

Dev (1948) Department.

MS SERIES.

G.O. NO. 6442

Dated 11-12-48

[Despatch Abstract.]

Acts and Rules. State Aid to Industries Act M/s The Purnima Sera Board and Paper Mills Ltd., Moodbidri loan of Rs 80,000/

Sanctioned

Industries and Commerce Department

From:
The Director of Industries and Commerce, Chepauk, Madras.

To:
The Secretary to Government,
Development Department,
Fort St. George, M a d r a s.

No- S.A. 3829/48 dated 19.11.48.

Sir.

Subject: State Aid to Industries- The Purnima Straw Board and Paper Mills Limited- Mpodbidri- South Kanara District- Application for a loan of Rs. 1,25,000/-

Sri G.Poi Brothers Managing Agents of the Purnima Straw Board and Paper Mills Limited, Moodbidri, South Kanara District have on behalf of the latter applied to the Government of Madras under the Madras State Aid to Industries Act for a lona of Rs. 1,25,000/- for the manufacture of straw Board, Card board and a few varieties of inferior paper. The Applicants propose to repy the loan in twenty annual instalments. A copy of the application together with a copy of the note prepared theron for the guidance of the Board of Industries is enclosed.

The application was placed before the Board of Industries at its meeting held on 8th and 9th November, 1948, at Mangalore and an extract off the proceedings of the meeting is enclosed. The Board recommended the grant of a loan of Rs. 80,000/- (Rs. Eighty thousand only) repayable in fifteen annual instalments for the purchase of additional machinery and equipment.

Early orders of Government are requested on the application.

for Director of Industries and Commerce,
Madras.

Mng. 23.11.

FORM II.

Form of application for aid under the Madras State Aid to Industries Act, 1922.

(Madras Act V of 1923).

1. Name of applicant and his full Address.	The Purnima Straw Board and Paper Mills, Limited, Moodbidri, South Kanara.
2. Nature of the Industrial concern for which aid is sought.	Manufacture of straw board, card board, and a few varieties of inferior paper.
3. The administrative, technical and executive staff existing or to be appointed with qualifications.	The administration of the Mills is being looked after at present by the Managing Agents Messrs. G.Poi brothers under whom 4 clerks on the administrative staff and 15 mechanics on technical staff are appointed. Additional staff will have to be recruited to the Mills as follows:

Administrative:

1. General Manager with experience in accountancy.	
2. Accountant.	1.
3. Roll-call clerk.	1.
4. Stenographer.	1.
5. Out-door clerk.	1
6. store-keeper.	1
7. Watchmen.	3
8. Peons.	2

Technical & other staff.

1. Works Manager with B.Sc.(Engineering)	1.
2. Mechanical Engineer.	1
3. Electric Engineer.	1
4. Fore-men.	9
5. Helpers (unskilled labourers.	75

4. The facilities available for the development of the Industry.

This industrial enterprise is the first of its kind in the West Coast. The factory is situate at Moodbidri, South Kanara, on the slopes of the Western Ghats. A few varieties of cheap grass which are not used as fodder for cattle such as melocanna bambudoidas (Mulli) are grown in abundance in this district which have no commercial use as yet and thus practically a waste. This is an areca nut growing centre also. Areca nut husk is a fibrous material, suited for the manufacture of boards. It is practically a waste now inasmuch as the same is either used as a fuel or as an inferior substitute for manure. The District abounds in extensive forest areas nearly 806 square miles where bamboos and grass are easily available in abundace. Bamboo and a few varieties of reeds of the same family have no commercial use as yet in this district and the same could be made good use of by using it as a raw material for the manufacture of paper and pulp. As these raw materials are mainly available either in the Western Ghats or in the rural areas of the District collecting and felling of these raww materials give an additional income to the agriculturists.

Labour is cheap in this District.
The situation of the factory is at a distance of 22 miles from Mangalore from where easy sea and rail route is available for the transport of finished goods.

5. The nature of the process to be employed.

The proceeds of the manufacture of boards for which the present plant has been assembled is a continuous and automatic one from the digestion to the finishing section. During the summer which extends up to about seven months the drying of the boards will be by sundrying, and during the rainy season drying cylinders will be used.

6. Details of Plant & Machinery installed or to be installed at the works.

The following are the details of the machines which are now assembled:

1. Digestors.	1
2. Beaters with drum washers of 500 lbs capacity.	1
3. Agitating arrangement for stuff chests.	1
4. Service chests and sand traps,.	2
5. Fraudrinier type board machine 42" deckle with 2 sheet formation presses.	1
6. 2 bowl calendar 11"x36"	1
7. Board cutting machine 30" blade.	1
8. Screw press.	1
9. Diesel Engine of 65 H.P.	1
10. Alternator 200H.P2.5.K.W.	1
11. Motor of 10 H.P.	1
12. " " 5 H.P. with one injector pump.	1
13. Centrifugal pumps 3"x2"	1
14. " " 3"x 3"	1
15. Suction pump.	1
16. Electric equipment.	1

A

The following are the machines proposed to be installed:

1. Pulper of 2 ton capacity.	1
2. Boiler for digestion and drying.	1
3. Drying machine with 9 cylinders.	1
4. A 45 H.P. Motor of 750 R.P.M to replace the shafts on which the beaters are run.	
5. A 55 K.W. alternator for the above.	1

P P

7. The total estimated cost of the undertaking and the probable time that will be occupied in its execution. (details of recurring and non-recurring expenditure should be furnished).

Total estimated cost of the undertaking will come to about Rs.2½ lakhs.
It will take about six months to obtain the remaining equipments so as to make the existing semi-automatic board plant into a complete automatic and continuous arrangement.

Non-recurring expenditure.

Machinery, power plant, buildings and lands pump-lines, etc 250000/-

Recurring Expenditure: (per month)

Raw material 200 tons at 80/-	Rs. 16,000/-
Chemical and stores.	Rs. 4,000/-
Fuel charges.	Rs. 2,000/-
Salary of administrative staff	Rs. 1,000/-
do technical staff.	Rs. 4,500/-
Remuneration of Managing Agents.	Rs. 500/-
Depreciation on plant at 10%	Rs. 2,000/-

	30,000/-
8. Approximate number of operatives employed or to be employed.	Approximately 90 (Ninety)
9. Estimated net expenditure per annum in running the works.	About Rs.3,60,000/- at Rs.30,000/- per month as per details given against No.7.
10. Approximate estimated net profits accruing.	On a modest calculation the total estimated monthly production of 100 tons of boards (the plant now installed could manufacture 4 tons of boards per day of 3 shifts) would yield about Rs.40,000/- at Rs.20/- per Cut of board. After deducting the on-cost of the boards viz., Rs.30,000/- (vide answer to question No.7) the monthly production would yield a net profit of about Rs.10,000/- i.e Rs.1,20,000 per annum.
11. Reasons why the business cannot be financed without state assistance.	We feel that our popular Government should have permanent interest in the management of this company with a view to build up this industrial enterprise, the first, of its kind in the whole of West Coast, on a permanent footing and sound lines. The capital of this District is shy of investment in new enterprises. This District is potentially rich in raw materials to feed this industry and these could be methodically exploited if the state should aid financially.
12. Nature of and extent of state aid applied for (The particular clause of section under which the aid is applied for should be stated)	A loan of Rs.1,25,000/- (Rupees one lack twenty five thousand only) as per section 9 of the Madras State Aid to Industries Act 1922. A
13. Security offered:	
(a) If Land,	
(i) Survey No.	Land with factory buildings. S.No. 178/1 in Pranthya Village, Moodbidri, Town, Karkal Taluk, South Kanara District. The situation of the factory is about 1½ miles from the Moodbidri Police Station on the Moodbidri Bantwal Road. C
(2) Extent.	19 acres 42 cents. C
(3) Assessment.	Rs.12-10-0
(4) In whose name registered.	In the name of the Company.
(b) Nature & description of other security, if any, offered.	No special security is offered; but the Government will have a general lien on all the company's fixed and floating assets including plant and machinery already assembled and to be purchase and assembled from time to time.
14. Nature and extent of the applicant's right in the concern. Whether as co-sharer or proprietor or otherwise and his financial resources.	The company holds the sole proprietory rights in the concer.
15. Nature and extent of the applicant's right in the property offered as security.	The company holds the sole proprietory rights in the fixed and floating assets of the company referred to above.
16. Nature and extent of encumbrances on the immovable property offered as security, primary or collateral.	The Company's property is free from encumbrances.

17. Whether any arrears are due on the immovable property offered as security, primary or collateral and if so the nature and extent of arears.	No arrears are due.
18. Period within which and the number of instalments in which the applicant proposes to repay the loan.	Payable in twenty years in annual instalments of not less than Rs.6,500/- each. /B
19. Approximate additional net income expected to be earned as a result of the proposed expenditure.	The continuous and automatic arrangement which could be obtained with this proposed expenditure saves considerable working cost with the result the net profits would be appreciably greater. We estimate an additional net income of Rs.50,000/- per annum.
20. If the application is from a joint stock company the amount of capital actually subscribed and paid up and the number of shares held by each of the directors and their salary, fees and other pre-requisites should be stated.	Subscribed Capital Rs.1,10,210/- Paid up Capital Rs. 99,320/- Each Director holds 200 shares of Rs. 10/- each fully paid up. Each Director is entitled to received Rs.20/- as sitting fees for each meeting of the Board of Directors attended by him. No other fees or remuneration is payable to the Directors except travelling expenses when on company's work.
21. Any other remarks.	Nothing special to make mention of.

We G. Poi Brothers, Managing Agents, The Purnima Straw Board and Paper Mills, Limited, declare that the statements made above are true to the best of our information and belief.

A2 11

Note for the Board of Industries.

Application from M/S. The Purnima Straw Board and Paper Mills Limited, Moodbidri, South Kanara District, for a loan of Rs.1,35,000/- repayable in twenty annual instalments. (Copy enclosed) ✓ 3 above

The Purnima Straw board and Paper Mills Limited, is a joint stock company registered under the Indian Companies Act with an authorised and issued capital of Rs.5,00,000/-. According to the prospectus issued by the company it has been formed with the the object of erecting and running a factory at Moodbidri, S. Kanara District, for the manufacture of Straw Board, Mill Board etc. The production capacity of the plant as proposed in the prospectus is 5-6 tons of board per day of 3 shifts. The raw materials for the manufacture of the factory's products are stated to be Loxicera Leschenaultu, Behxlusa arundinacia, Dendrocalamus strictus, Tenostechyum Beddomu, etc all reported to be available in planty in the neighbourhood of the factory. Besides the above, the factory will also use paddy straw from the district. The cost of the plant as given in the prospectus is as follows.

Land, factory buildings, etc.	Rs.75,000/-
Board making plant.	250,000/-
Power, pipe lines, erection cost etc.	75,000/-
Capital cost.	Rs.400,000/-
Working capital.	50,000/-
Total capital requirements.	Rs.450,000/-

2. The company has eight Directors on its board and each Director is entitled to get a sitting fee of Rs.20/- plus "such other reasonable travelling and allowances" for each meeting attended by him. The company is managed by M/S. G. Poi Bros and the remuneration paid to them is Rs.500/- per month as office allowance plus 10% on the net annual profits of the company. The Managing Agents are also entitled "to charge and be paid for all actual postage, telegrams, stationery, rental of premises, printing, legal expenses, advertisements, car allowance, travelling and the like expenses".

The subscribed and paid up capital of the company were Rs.1,10,210/- and Rs.102,400/- respectively on 31-8-48. The applicants are obviously short of money for completing the construction of their factory. The applicants have actually installed a plant of smaller capacity 3 to 4 tons per day than originally proposed by them. The applicants are reported to have purchased in all machinery and equipment worth Rs.1,08,400/- and constructed buildings tanks, etc at a cost of Rs.72,500/-. They have yet to purchase equipment worth Rs.83,000/- A

3. As required by section 8 (2) of the Madras State Aid to Industries Act, notices inviting objections to the grant of the aid were published in the manner prescribed by the Act and the rules framed thereunder. No objections were received. B

4. As security for the loan the applicants have offered.

(i) 19.62 acres of dry lands the value of which has been estimated at Rs.9,800/- by the Revenue Divisional Officer Coconapur and with which the Collector of South Kanara agrees. ✓ Comp. value ✓ Comp. Value

(ii) Factory buildings, etc constructed at a cost of Rs.72,500 and valued by the Revenue Divisional Officer at Rs.40,000/- only. The Revenue Divisional Officer states that two tanks and two bore wells included under this item and costing Rs.11,000 may not fetch an equally high value on resale. He also estimates the resale value of the buildings at a much smaller figure for the reason that they are built specially to suit the industry and their market value for other purposes may be less. It is however to be considered whether it is justifiable to under value factory buildings etc on the assumption that they will not be used for the original purpose intended. If the buildings find no such other use, this argument will further lead to an absurdly low valuation based on the cost of dismantling of the factory and the salvage of its component parts. In this connection attention is invited to. Rule ii (i) (a) of the Rules framed

under the Act which states that "the value of the assets of an industrial business or enterprise or of any property offered as collateral security shall be taken to be in the case of fixed assets such as land, buildings, etc the price at which these assets were acquired, subject to proper deductions for in the case of buildings, machinery and plant at the rates fixed as allowable depreciation under section 10 (2) of the Income Tax Act of 1922, appreciable increase or decrease in the market value of the site, machinery and buildings may also be taken into consideration". An allowance for possible decrease in the market value due to deflationery causes is already being allowed.

(iii) The District Industries Officer has valued the plant and machinery purchased and installed at Rs.1,07,100/-

The total value of the assets comes to Rs.1,89,400/-. The applicants declare that there are no encumbrances on the property. The applicants have furnished a certificate of encumbrances which appears to support their claim. Allowing for a possible depreciation in the prices due to deflation, the value of the assets may be taken as 1,26,267/- If the additional machinery and equipment proposed to be purchased at a cost of Rs.63,000/- is also included after making a similar allowance for deflation, the total value of the security would come to Rs.1,80,933/- and the applicants would be entitled to a maximum loan of Rs.90,466/-

5. The Collector of South Kanara reports that the Directors of the Company resident at Moodbidri, namely, Sri.G. Gopala Pai and Sri.G. Vasudeva Pai are businessmen but have no previous experience in this particular industry. Reports of the other directors resident at Bombay have not yet been received.

6. The views of the Board of Industries are requested on the application and it is suggested that members may visit the factory on the 8th November before the case is considered by the board on the 9th November.

DEPARTMENT OF INDUSTRIES AND COMMERCE
Reference No.SA.8366-48 dated 29-10-48

From

Sri V. Dattatreyan, B.E.,
Secretary, Board of Industries,
Chepauk, Triplicane, Madras.

To

Sir,

Subject: STATE AID TO INDUSTRIES - Board of Industries - Meeting.

Reference: This office Circular No.SA.8366/48 dated 19th October, 1948.

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In continuation of this office Circular quoted above, I forward herewith an amendment to para 4 (ii) under item 12 of the Agenda (Application from the Purnima Straw Board and Paper Mills, Ltd. Moodbidri) and request that the existing para of the same number may be deleted and the amended para now sent may be substituted.

(Sd) V. Dattatreyan

SECRETARY,
BOARD OF INDUSTRIES

'NAG'.29,10

AMENDMENT TO PARA 4 (ii) UNDER ITEM 12 OF THE AGENDA

(ii) Factory buildings, etc., constructed at a cost of Rs.72,500 and valued by the Revenue Divisional Officerat Rs.40,000 only. The Revenue Divisional Officer states that two tanks and two bore-wells included under this item and costing Rs.11,000 may not fetch an equally high value on resale. He also estimates the resale value of the buildings at a much smaller figure for the reason that they are built specially to suit the industry and their market value for other purposes may be less. It is bwever to be considered whether it is justificiable to under value factory buildings etc., on the assumption that they will not be used for the original purpose intended. If the buildings find no such other use, this argument will further lead to an absardly low valuation based on the cost of dismantling of the factory and the salvage of its component parts. In this connection, attention is invited to Rule ii (i) (a) of the Rules framed under the Act which states that 'the value of the assets of an industrial business or enterprise or of any property offered as collateral security shall be taken to be in the case of fixed assets such as land, buildings, etc, the price at which these assets were acquired, subject to proper deductions for ware and tare:- such deduction shall be calculated in the case of buildings, machinery and plant at the rates fixed as allowable depreciation under Section 10 (2) of the Income Tax Act of 1922, appreciable increase or decrease in the market value of the site, machinery and buildings may also be taken into consideration". An allowance for possible decrease in the market value due to deflationery causes is already being allowed. The Executive Engineer, Public Works Department has been asked to value the buildings and his report, if received in the meantime, will be communicated to the Board members. The value of the buildings may be taken for the present at Rs.72,500/-

[illegible] was Rs40,000 ms. —

X in p 17 below

(xii) APPLICATION FROM THE PURNIMA STRAW BOARD AND PAPER MILLS LIMITED MOODBIDRI FOR A LOAN OF RS.1,25,000/-

The members of the Board visited the factory of the applicants at Moodbidri and satisfied themselves that the applicants had really made some progress towards the establishment of their industry. The applicants had installed all the machinery so far ~~xxx~~ purchased and were in a position to produce straw board using waste paper as raw material. In order, however, to produce board from grass as proposed by the applicants they required a boiler and a digester and a few other minor items of equipment. The loan applied for was required for the purchase and installation of such machinery. The Board felt that this was a deserving case but the maximum loan that could be granted on the security of the assets was only Rs.80,000/- after taking into consideration ~~xx~~ the Executive Engineer's valuation of the buildings of the applicants factory at Rs. 40,000/- The Board asked the applicant's representative whether they were prepared to accept this amount and find the balance of their requirements from other sources. The applicants' representative having agreed to accept the reduced loan, the Board recommended the grant of a loan of Rs.80,000/-(Rupees eighty thousand only) repayable in 15 annual instalments for the purchase of additional machinery and equipment.

M
X
A

Rs
Factory building 40,000 - x'ble - Complied
Lands 9800 - Complied
Machinery + 1,08,400 - A'ble
equipment
2 1,58,200
- 73,100
80,000

True Copy.
Sd/- D. Balasundaram
25/11/48.
Superintendent, G. Section,
D.I.& C's Office.

~~Patro~~

ACTS AND RULES - State Aid to Industries Act - M/s The Purnima Straw Board and Paper Mills Ltd., Moodbidri - Loan of Rs.80,000/- Sanctioned.

Read the following:-

From the D.I. & C. No. S.A.3829 dated 19-11-1948.

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G.O.Ms.No. 6142 dated 11-12-48.

H.E. the Governor of Madras ~~is planned to~~ sanctions, subject to the conditions specified below, the grant of a loan of Rs.80,000/- (Eighty thousand only) to Messrs. The Purnima Straw Board and Paper Mills Ltd., Moodbidri, for the purchase of additional machinery and equipment for the factory.

2. The conditions are

(a) Messrs. The Purnima Straw Board and Paper Mills Ltd., Moodbidri, shall execute a mortgage deed hypothecating to the Govt. as security for the due repayment of the loan with interest

(1) Land, buildings, plant and machinery as shown in the annexure to these proceedings; and

(2) Additional machinery and equipment to be purchased by the Company with the loan now sanctioned.

(b) The Company should insure the plant and assets offered as security against loss or damage by fire and assign the policy in favour of H.E. the Governor of Madras before the disbursement of the loan

(c) The entire proceeds of the loan shall be utilised for the purchase of additionnl machinery and equipment required for the factory.

(d) If it shall be proved to the satisfaction of the Govt. that the loan sanctioned has not been fully applied for the purpose for which it is granted, the balance of the loan or such portion of it as the Govt. may determine, with interest and costs, if any, shall be recovered as provided for in section 18 of the Madras State Aid to Industries Act, 1922 (Madras Act V of 1923).

(e) The loan will bear interest at 5% per annum and shall be repaid in fifteen annual instalments of

Rs.7704/- each, the first instalment being repaid on 1-5-1950 and the subsequent instalments on the 1st ~~xxxxxxxxxx~~ May of every following year until the loan with interest has been repaid. For the period in excess of 12 months intervening between the date of disbursement of the loan and 1st May 1950, simple interest on the whole amount shall be paid with the first annual instalment.

(f) On every instalment of loan which is not paid on the due date, additional interest at 7½% shall be levied as penalty upto the date of its repayment.

(g) The annual instalment of loan shall be paid at the nearest Govt. Treasury to the credit of the Govt. and

(h) The Company shall abide by all the provisions of the Madras State Aid to Industries Act, 1922 (Madras Act V of 1923) and the rules framed thereunder.

3. The loan will be disbursed in a single instalment.

4. The expenditure on account of the disbursement of the loan shall be debited to "Loans and Advances bearing interest - Advances under Special Laws (State Aid to Industries) - Advances made by the D.I. & C." The D.I. & C. is requested to apply for additional appropriation of funds in due course. The A.G. is authorised to admit the expenditure in audit pending the provision of funds.

To the D.I. & C.
" the A.G. thro' Fin.
" M/s The Purnima Straw Board and Paper Mills Ltd., Moodbidri, South Kanara Dt.

Copy to Fin. (B.G.)
Para 4. c.Bentley against-

Annexure.

Land. An extent of 19 acres and 42 cents, with factory buildings in S.No.178/1 in Pranthiya village, Moodbirdri, S.Kanara Dt.

Plant and machinery. (Here enter 'A' on p.5 c.f. as edited in pencil.)

Enclosed
C.B.S.No. 263/48.

21

Bombay,
November 4, 1949.

From N.

N. A. Shenoy, Esqr.,
Popular Cloth Stores,
DeLisle Road, Bombay 13.

To

The Hon'ble Minister of Industries,
M A D R A S.

MINISTER FOR INDUSTRIES. 8 NOV 1949 GOVERNMENT OF MADRAS

109657

Honoured Sir,

Re:- Proposed Loan of Rs.80,000/- only to the Poornima Strawboard and Paper Mills Ltd., Moodabidri, S.Kanara Dt.

I have the honour to enclose herewith a copy of the Notice of the extra-ordinary General Meeting of the Poornima Strawboard & Paper Mills, Ltd., Moodabidri, to be held at Bombay, on 20-11-1949. Resolution No.4 which is to be considered at the said meeting is about the proposed loan of Rs.80,000/-.

Hence, I have the honour to request you to keep the payment of the said loan pending until the said resolution is passed at the said meeting.

Thanking you,

Yours faithfully,
N A Shenoy

Copy to the Asst.Registrar, Joint Stock Companies, Mangalore.

Dev. Depl-

To A.S.

Submitted for perusal
No action is called for. May be lodged and added to the G.O. at (P)

BSR 11.11.49 11.11.49 12/11

THE
PURNIMA STRAW BOARD & PAPER MILLS, LTD.,
MOODBIDRI, South Kanara.

Notice is hereby given that an Extraordinary General Meeting of the Share Holders of the Purnima Straw Board & Paper Mills Ltd., Moodbidri, will be held under Section 78 of The Indian Companies Act, at Sewwall Building (Byculla Health Home), Delisle Road, Bomboy 27, on Sunday 20th November, 1949 at 10 A. M. to consider and if thought fit of passing the following resolutions with or without modifications which will be passed as special resolutions, as the meeting deems fit.

1. Resolved that the whole article 104 of the Articles of Association be deleted and the following be substituted there for:-

   "Until otherwise determined by the Company in General Meeting the number of Directors shall not be less than seven or more than twelve including the Director Ex-officio, nominated by the Managing Agents, if there be any, out of which the shareholders at an ordinary General Meeting can appoint any share-holders not holding the minimum qualification shares as a Director, but holding at least five shares as Special Directors who shall not be liable to retire by rotation save by a special resolution of share-holders. Such special Directors shall not exceed more than three in number and the Board of Directors may fix their remuneration and emoluments if any."

2. Resolved that in line five of article 122 of Articles of Association the word "three" be deleted and the word "Six" be substituted.

3. Resolved that the whole Board of Directors for the time being be reconstituted at this meeting excepting the Director Ex-officio, nominated by the Managing Agents.

   Resolved further that three Special Directors be appointed at this meeting as per article 104 of the Articles of Association.

4. Resolved that the Board of Directors be authorised and empowered to avail of the Government loan of Rs. 80,000/- (Rupees eighty thousand only,) sanctioned by the Government of Madras under the Industrial State Aid Act, 1923.

5. And to discuss such other matter with the permission of the chair.

NOTE:- Resolution No. 1 given notice of by the requisitionists. The subject matter of the resolution, is pending disposal in the Court of the Subordinate Judge of South Kanara as O. S. No. 82-1949. The legal advisor of the Company has advised the Board of Directors that placing such resolution before the shareholders or moving of such resolution by any shareholder will make them liable for contempt of Court, before the suit is disposed off. As such the Directors are unable to place the same before the share-holders until the suit is disposed off or is withdrawn, when the Directors will place the same before the share-holders if the requisitionists so desire.

It is requested that you will be good enough to attend the meeting. If however you find it inconvenient to do so, you could appoint another share-holder of the Company as your proxy by duly filling up the accompanying form.

The Register of members and share transfer books of the Company will remain closed from 10—11—1949 to 21—11—1949 both days inclusive. All proxy papers should be deposited at the Registered Office of the Company not less than 72 (Seventy two only) hours before the time fixed for holding the meeting at which the appointee proposes to vote.

(By Order of the Board)

For: THE PURNIMA STRAW BOARD & PAPER MILLS LTD.,
For: G. POI BROTHERS,

(Sd.) **GOPAL POI G.**
Partner.
Managing Agents.

Moodbidri,
16-10-1949.

MINISTER FOR INDUSTRIES.
7 DEC 1949
GOVERNMENT OF MADRAS.

Bombay 2nd December

From,

P. A. Chenoy,
Proprietor Popular Cloth Stores,
Dolicle Road, Bombay.

118990

SECRETARY TO GOVT.
7 DEC 1949
DEPARTMENT

The Rt: Hon'ble Minister of Industries,

Madras.

Dear Sir,

21 With reference to my last letter regarding Furnishing Straw Board and Paper Mills I beg to inform you that an Extraordinary General Meeting was held on 29-11-49. The copy of resolution is enclosed herewith for your information.

MOODABIDRI.

Yours faithfully,
P A Chenoy

Copy forwarded to:-

~~THE MINISTER OF INDUSTRIES, MADRAS.~~
THE DIRECTOR OF INDUSTRIES, MADRAS,
THE ASSISTANT JOINT STOCK COMPANIES, BANGALORE,
THE LEGAL AGENTS, PUBLIC DATA BANK (INDIA) LTD.,
DELHI.

Registrar

Dev. Debt.

To A.S.

Submitted for perusal. No action is called for. May be lodged and added to the G.O. at (V)

9/12

9/12

PROCEEDINGS OF THE EXTRAORDINARY GENERAL MEETING HELD ON 20-11-1949 AT 10 A.M. AT SEWALL BUILDINGS, DELISLE ROAD. BOMBAY

PRESENT :- Dr K.R. Kini, M.B. & B.S. and shareholders as per attendance Register.

The Partner of the Managing agents representative read the meeting of the notice. At this stage Dr K.R. Kini, the Chairman withdrew from the meeting.

Sd. K.R. Kini
Chairman

Proposed by Sri Madhav Vasudev Shenoi and seconded by Sri Vaman Vasudev Shenoi, Sri K N Gaitonde was proposed to the Chair and unanimously elected, he occupied the Chair.

R. No. 1 :- Resolved that the whole article 104 of the Articles of Association be deleted and the following be substituted therefor : Until otherwide determined by the Company in General meeting the number of Directors shall not be less than seven or more than twelve including the Director Ex officio nominated by the managing agents, if there be any, out of which the shareholders at an ordinary General meeting can appoint any shareholders not holdong the minimum qualification shares of a Director but holding at least five shares as special Directors who shall not be liable to retire by rotation save by of a Special resolution of shareholders. Such Special Directors may fix their remuneration and emoluments if any.

The above resolution was proposed by Sri MADHAV Vasudev Shenoi and seconded by Sri Nagesh Achuth Shenoi it was put to vote and unanimously passed.

R. No.2 :- Resolved that in line five of articles of Association the word 'three' be deleted and the word 'six' be substituted.

The above resolution was proposed by Sri Hariappa Madhav Shenoi and seconded by Sri Vaman Vasudev Shenoi, it was put to vote and unanimously passed.

R. No.3 :- Resolved that the whole Board of Directors for the time being be reconstituted at this meeting excepting the Director Ex officio, nominated by the managing agents.

The following members do constitute a new Board. Proposed by Sri Vaman Vasudev Shenoi and seconded by Sri Nagesh Achuth Shenoi :

1. Sri K.N. Gaitonde 2. Sri N.N. Kamath
3. Sri Madhav Vasudev Shenoi 4. Dr K.R. Kini
5. Sri Ananth Vittal Prabhu 6. Sri PattnaShetty Padnury Shetty 7. Sri Gopal Pai G. 8. Damodhar Shenoi 9. Sri Nagesh Achuth Shenoi.

The resolution was unanimously passed. The consideration of the appointment of special Directors was postponed for the next general meeting.

R. No. 4 : - The consideration of the said resolution was postponed to the next extraordinary general meeting to be called at Bombay within two months from this date when the following facts should be furnished to the shareholders by the managing agents:

1. An estimate of the future investment required to bring up the production to its full capacity.
2. All relevant Documents of plot sold by the party to the Company.
3. Necessary records pertaining to Govt. loan of Rs 80,000/- (rupees eighty thousand only).
4. A complete trial balance of the Company.

With a vote of thanks the meeting terminated.

Sd. K.N. Gaitonde
CHAIRMAN 20/11/49

Department of Industries and Commerce.

31

From
Sri. M.T. Raju, Bar-at-law, I.C.S.,
Director of Industries & Commerce,
Madras-6.

To
The Secretary to Government,
Development Department, Madras 9.

X-X-X-

67
2/4

32712 D 4/57

3 3

Dev. Dept.

T.M.

To

The D.I.S.C, Madras

Sub: State Aid to Industries -
The Purnima Straw Board and Paper Mills Ltd., Moodbidri -
Loan of Rs. 80,000/- sanctioned.
List of assets offered as security - Amendment.

Ref: Your letter No. SA.3829/48 d/17-3-1951

The Value of 19 acres and 42 cents (not 12 acres and 42 cents as stated in your letter cited) of land originally offered by M/s The Purnima

M/34/

Straw Board and Paper Mills Ltd., Moodbidri
as security was reported to be Rs. 9,800/-.
It is presumed that the lands now offered as security
measuring 19 acres and 62 cents under different
survey numbers will be worth not less than
Rs. 9,800/-. Please say whether the presumption
is correct.

A reply should be sent before
20-4-1951

P.C. to go
K.D. 20.4.51

35-5

Industries and commerce Department.

From
The Director of Industries
and commerce, Madras 6.

To
The Secretary to Government,
Development Department,
Fort St. George, Madras.

No. S.A. 3829/48 dated the 11th April, 1951

41780 13.4.51

THIRD ASST. SECRETARY Copy for Dept. 3 APL 1951

Subject:- State Aid to Industries - The Purnima Straw Board and Paper Mills Ltd Moodbidri - loan of Rs. 80,000/- sanctioned - hypothecation of properties - discrepancies in

Ref:- Government Telephonic message dated 31--1--1951

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p/p 3-4 above

C'or p 7 ct (W)

A'on p 20 ct (W)

vide B'on p 7 ct (W)

The lands offered by Messrs. The Poornima Straw Board and Paper Mills Ltd., ~~xxx~~ of Moodbidri, in their application for State Aid are of extent 19 acres and 42 cents, and were valued by the Collector of South Kanara at Rs.9,800/-. There has been no change in the survey numbers or extents~~x~~ of the lands but in the G.O. ~~xx~~. No. 6142 Development Department dated 11--12--1948 they were erroneously described as bearing Survey No. 178/1 and of extent 12 acres and 42 cents. The applicants have not offered any land of the above description as security for the Government loan sanctioned to them, but in the mortgage deed dated 4-7-1949, executed by them, they have hypothecated in favour of Government only the piece of land bearing Survey No. 178/2 of extent 12 acres and 70 cents. As this is only one of the four items of ~~land~~ offered by the Company in their application for State Aid as security and as the recommendations of the Board of Industries were based on the security of all the four items of lands mentioned in my letter No. S.A. 3829/48 dated 17-3-1951, the annexure to the G.O. under "land" may be amended as requested.*.

p 1 above

A

V. Sattanathayan

for Director of Industries and commerce.

bvs/12-4

107/57/4

GA '57

Dev Dept.

g.issue DM 25.4.57

Memo No. 32712 DII/51-3 d/ 25-4-1951

Sub: State Aid to Industries – The Purnima Straw Board and Paper Mills Ltd., Moodbidri – Loan of Rs. 80,000/- sanctioned – List of assets offered as security – Amendment.

Ref: From the D.I&C No. SA.3829/48 d/17-3-1951

— Attached.

In the annexure to G.O. No. 6142, Dev d/ 11-12-1948, for the particulars under the item "Land with factory buildings", the following shall be substituted; namely

	S.No.		Extent
"Land with factory buildings"	177/1	(Portion)	1 ac. 58 cents
	178/2	(Portion)	12 ac. 70 cents
	178/2	(Portion)	3 ac 42 cents
	179/1		1 ac 92 cents
	Total		19 ac. 62 cents

Dsd 23.3.57 Dis 24/3/57

To the DI&C
Dpd the A.G thro' the Fin Dept: S/C.I
5-7-57 Post

S 24.3.57

Note: Finance may see before issue

Dsd 23.3.57 Dis 24/3/57 S 26/3 Fin

Dev U.O. 3212 Dis/51-1 26.3.57.

I c'mg II cf. J W

ADDITIONAL DEPUTY SECRETARY 2338 26 MAR 1951 FINANCE DEPARTMENT ASST. SECRETARY

Fin U.O.No. 2338/CA/57-1, 28/3/57 R

30 MAR 1951

The Draft memo above may be perused. Fin (Exp. A)

The value of 19 acres and 42 cents of land originally offered as security was Rs 9,500/- It is presumed that the lands now offered meaning 15 acres + 62 cents under different survey numbers will not be worth more than Rs 9,000/- Dept may be requested to get this point clarified by the D.I.C. before issue of the draft memo.

28.3.57 35635 R 28/3 Dept

Dev Dept.

To A.S.

The notes of Finance on p.1 above may be perused. With reference to their remarks at 'A' above, a draft T.M. to the DI&C is submitted below for approval.

30.3.51 30/3/51

31357

(Issued as ~~Memo~~ T.M dated 31-1-1951) pp 3-4 ct
(From the DI&C No. SA. 3829/48d/11-4-1951) p 5 ct

To A.S.

The T.M. to the D.I&C on pp 3-4 ct and his reply on p.5 ct may be perused

2. The statement of the DI&C at 'A' on p.5 ct that the survey number of the lands offered as security by M/s The Purnima Straw Board and Paper Mills Ltd., ~~was~~ was erroneously described as bearing S.No. 178/1 and of extent 12 acres and 42 cents does not appear to be correct. The S.No. 178/1 was ~~shown~~ in the annexure to the G.O. sanctioning the loan with reference to the particulars given in the application against clause 13 — vide 'B' and 'C' on p.7 ct (W). Presumably the particulars given in the application are wrong. 'A' on p.5 ct

* 'A' on p 20 ct (W)

3. However, in the circumstances explained by the D.I&C in his letter at p.5 ct, it is for consideration whether the draft Memo on p.1 above may issue.

For orders.

May issue
S
15/4

Dev O.O. 32212 Dev/51-2

4. Finance may see

15.4.51 16/4/51

[illegible]

39

Finance (Exp.A)

(Last notes of Fin. on p. 1 ante)

The further notes of Dev. on p. 2 above and the draft memo on p. 1 above may be perused and the file returned to Dev.

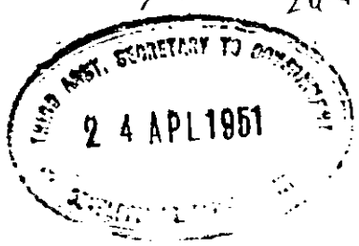
Dev
20.4.51

19/4/51

19.4.51

Dev. Dept.

Fin. no. 31300/E.S.
24-4-51 45233
24.4.51 To A.S.



The draft Memo on p. 1 above may now issue

24.4.51 24/4/51

24/4
23/4/51

p. 37 above (Issued as Memo No. 32712 Dev/51.3 d/25-4-51)

11

41

Development (DII) Dept.

Sub:- Acts and Rules - State Aid to Industries Act - M/s The Purnima Straw Board and Paper Mills Ltd., Moodbidri - Application for a loan of ~~Rs.1,25,000/-~~.

~~Ref~~:- From the D.I. & C. No. S.A.3829/48 dated 19-11-1948.

To A.S.

The D.I. & C. has submitted for the orders of Govt. an application from M/s The Purnima Straw Board and Paper Mills Ltd., Moodbidri (S.Kanara Dt.), for a loan of Rs.1,25,000/- under the Madras State Aid to Industries Act for the manufacture of straw board, card board and a few varieties of inferior papers. The Board of Industries considered the application at its meeting held on the 8th and 9th November 1948 and has recommended the grant of a loan of Rs.80,000/- (Rupees eighty thousand only) repayable in 15 instalments for the purchase of additional machinery and equipment required for the factory. For orders whether the recommendation of the Board will be accepted. Subject to orders, a draft order is submitted below for approval. It may be sent to Fin. for acceptance.

BSR 1.12.48 1-12-48

SA 21 Nov J.S. 1/12

Fin (Exp.A)

Please see the notes above.

The draft order below may be accepted. [The annuity works out to Rs.7,707/- and this figure may be mentioned in the order]

MI 7.12.48

131011 Dev. 8.12.48

Dev 7/12/48

Dev.No.126367 DII/48-1 2/12/48

ADDITIONAL DEPUTY SECRETARY 10356 8 DEC 1948 SA FINANCE DEPARTMENT

8 DEC

Fin.No.103567 SA/48-1 7.12.48

4 -

29/10/12

12636?

Development (DII) Dept.

To A.S.

The file relates to the proposal for the grant of a loan of Rs.80,000/- repayable in 15 annual instalments under the Madras State Aid to Industries Act to M/s The Purnima Straw Board and Paper Mills Ltd., Moodbidri, South Kanara Dt. for the purchase of additional machinery and equipment required for the factory as recommended by the Board of Industries. Finance have agreed to the proposal. For orders whether the draft Order submitted below may issue.

(Issued as G.O Ms 6142, dated 11-12-48)